MINUTES OF MEETING
BOARD OF DIRECTORS
REGULAR MEETING
THE WOODLANDS TOWNSHIP
FEBRUARY 25, 2009

THE STATE OF TEXAS §
COUNTIES OF HARRIS & MONTGOMERY §

The Board of Directors of The Woodlands Township, met in regular session, open to the public, on February 25, 2009, posted to begin at 9:00 a.m. The meeting was held in the Meeting Room at the Township's Office, 10001 Woodloch Forest Dr., Suite 600, The Woodlands, Texas, within the boundaries of the Township. The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

Nelda Luce Blair Lloyd W. Matthews Bruce Tough Chairman Vice-Chairman Second Vice-Chairman

Board of Directors Regular Meeting February 25, 2009

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Vicki D. Richmond Treasurer/Assistant Secretary

Alex Sutton III Secretary
Thomas Campbell Director
Kemba DeGroot Director
Peggy S. Hausman Director
Claude Hunter Director
Edmund W. Robb III Director
Robert C. Kinnear Director

with all of said persons being present, thus constituting a quorum. Also present for conducting business and assisting Board members were Don Norrell, Nick Wolda, Steve Sumner, Anjanette Sauers, Mike Page, John Powers, J.R. Moore, Jr., Renee Williford, and Kristin Freeman.

Chairman Blair called the meeting to order at 9:02 a.m. She announced that a quorum was present and that sufficient notice of this meeting had been duly posted as required by law. Chairman Blair then requested a motion to adopt the agenda. Director Hunter moved to adopt the agenda. The motion was seconded by Director DeGroot and passed unanimously.

Next, Chairman Blair recognized the following public officials attending the meeting: Garry Watts, Mayor of Shenandoah, J.R. Moore, Jr., Montgomery County Tax Assessor and Collector, and Henry Cheek, MUD #7 Director. The Public Official's Sign in Sheet is attached hereto as Exhibit "A".

Chairman Blair then called on names from the Public Comment Roster. The following individuals addressed the Board:

- Steve Leakey-Alden Bridge Village Association
- Paul Martin-Committee for Over Age 65 Tax Exemption/Petition
- Tom Conroy-not present, but provided a handout

The Public Comment Roster and handout are attached hereto as Exhibits "B" and "C", respectively.

Next, Chairman Blair asked the Board to consider and act upon approval of the minutes of the January 13, 2009 special meeting, January 21, 2009 special meeting, and the January 28, 2009 regular meeting of

the Board of Directors of The Woodlands Township. Director Hunter moved to approve the minutes as written and Director DeGroot seconded the motion. Director Campbell asked that "O-65 age" be changed to read "age 65 and over" on page five of the January 28, 2009 meeting minutes. Directors Hunter and DeGroot accepted the correction and the motion passed unanimously. A copy of the Board of Directors' meeting minutes for January 13, 2009, January 21, 2009 and January 28, 2009, with the noted correction, are attached hereto as Exhibits "D-F", respectively.

Next, Chairman Blair asked Board members to receive and consider a report from the Community Associations of The Woodlands. John Powers, Co-Interim General Manager of The Woodlands Community Associations, presented the report. Packets of information containing a written summary of the Community Associations' Board agenda matters, Monthly Report for January 2009, and The Woodlands Community Policing Report for January 2009 were distributed to Board members. Results of the 2009

Community Associations' elections were also reviewed. The Community Associations' reports are attached collectively hereto as Exhibit "G". No action was necessary on this item.

Chairman Blair next asked the Board to receive and act upon the Financial Report. Chairman Blair called on Anjanette Sauers, Financial Services Manager for the Township, to present this item. Ms. Sauers referred the Board to the Report on Monthly Budget Variances for the month ended January 31, 2009 in their meeting books. The Board was informed that this was an abbreviated Financial Report and that a full Financial Report would be given for the first quarter of 2009 in April. Following Ms. Sauers' report, Vice-Chairman Matthews moved to accept the Monthly Budget Variances Report as presented. The motion was seconded by Director Campbell and passed unanimously. A copy of the January 31, 2009 Monthly Variances Report is attached hereto as Exhibit "H".

Next, the Board was asked to receive and consider a presentation from the Montgomery County Tax Assessor and Collector regarding property tax exemptions for The Woodlands Township allowed by State Law. Chairman Blair called on Don Norrell. President for The Woodlands Township, to introduce the speaker. Mr. Norrell thanked J.R. Moore, Jr., Tax Assessor and Collector for Montgomery County, for coming before the Board to make a presentation. Mr. Norrell then passed out a handout, initially presented in November 2008, which outlined Five Year Financial Projections. This information provided a base number for Mr. Moore to project a potential property tax levy and determine what impact implementing an over age 65 tax exemption would have on the property tax levy. Mr. Moore then addressed the Board and informed the members that their role would be to determine what, if any, tax exemptions they would give. As an exercise, Mr. Moore used tax rate worksheets showing what the tax rate would have to be to fund \$36.5 million using different exemption amounts. Board discussion followed. Chairman Blair next thanked Mr. Moore for his presentation and then called on Mr. Norrell for closing comments. Mr. Norrell informed the Board that if they had additional questions or wanted more research to let him know. tentative timeline of April was given for more discussion and potential action on property tax exemptions for age 65 and older. Director Campbell asked for a copy of a three page handout Mr. Moore used in his presentation that showed tax rates and exemptions for cities in Montgomery County. No action was necessary on this item. A copy of the Executive Summary is attached hereto as Exhibit "I". Three handouts distributed to Board members are attached collectively hereto as Exhibit "J".

Board members were then asked to consider and act upon an amendment to The Woodlands Township's 2008 Operating Budget to actual and final approval of expenditures in connection therewith.

Chairman Blair called on Anjanette Sauers to present this item. Sauers informed the Board that this was a follow up item from the December 2008 financials reported in January 2009. Treasurer Richmond then moved to approve the final financial report and proposed final amendment to the 2008 Operating Budget. The motion was seconded by Vice-Chairman Richmond commented Matthews. Treasurer that governments amend their budgets after the end of the year to actual in effect to ratify everything they have done during the year. J.R. Moore, Jr. was recognized as the original author of the amendment. Following comments, the Board voted on the agenda item and it passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "K". Copies of the Financial Statements for the twelve months ended December 31, 2008 and the Operating Budget Amendments for Januaryl, 2008-December 31, 2008 are attached hereto as Exhibits "L" and "M", respectively.

Next, Chairman Blair asked the Board to consider and act upon a correction to Section 6 of Resolution No. 014-07 Creating The Woodlands Township Economic Development Zone (EDZ) in order to extend the term of the Zone's Board of Directors to November 6, 2009 to correspond with The Woodlands Township legislation. Mike Page, legal counsel for the Township, was called on to present this item. Mr. Page informed the Board that there was a minor typographical error in the Resolution. The correction involved changing the year from 2008 to 2009 in order to give the Directors a two year term as stated in the legislation for The Woodlands Township. Following Mr. Page's comments, Director Hunter moved to approve the correction to Resolution No. 014-07. Secretary Sutton seconded the motion and it passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "N". Resolution No. 014-07, with the correction, is attached hereto as Exhibit "0".

The Board was then asked to consider and act upon approval of a license agreement for restroom facilities for Waterway Square and authorize the President of The Woodlands Township to execute an agreement in connection therewith. Chairman Blair called on Steve Sumner, Vice President of Operations & Public Safety for the Township, to present this item. Mr. Sumner provided the Board with general background information related to the license agreement and then Mr. Page followed up with a more detailed explanation of the agreement. Mr. Page indicated that the Township's proportionate cost for operation and maintenance of elevators and restroom facilities for Waterway Square would be approximately \$1,200 per month. Following the presentations, Director Kinnear moved to approve the license agreement for restroom facilities for Waterway Square and authorize the President of The Woodlands to execute an agreement in connection therewith. The motion was seconded by Vice-Chairman Matthews. A brief period of discussion

followed. Director Hunter commented that signage should be installed to make the public aware of the facilities. Mr. Sumner said he would arrange for the necessary signs. Chairman Blair then called for a vote. The motion passed with Directors Blair, Campbell, DeGroot, Hausman, Hunter, Kinnear, Matthews, Richmond, Robb, and Tough voting "yes" and Director Sutton "abstaining". A copy of the Executive Summary is attached hereto as Exhibit "P".

Chairman Blair then asked the Board to receive and consider a presentation from CenterPoint Energy regarding resident concerns raised at a Town Hall meeting on October 15, 2008. The Chair introduced Steve Greenley with CenterPoint Energy who made a PowerPoint presentation to the Board. Mr. Greenley provided the Board with an update of activities since Hurricane Ike and addressed some of the concerns expressed by some residents of The Woodlands Township. Three main action items were targeted and included:

- Improve communication between The Woodlands Township and CenterPoint Energy
- Meet with The Woodlands Development Company to discuss overhead power lines versus underground power lines for future projects
- Develop a cost estimate to convert existing overhead power lines to underground power lines using Sterling Ridge as an example

Following Mr. Greenley's presentation, the Board entered into a period of questions and answers. Chairman Blair then thanked Mr. Greenley for his presentation. No action was needed on this item. A copy of Mr. Greenley's PowerPoint presentation is attached hereto as Exhibit "Q" and will be available to view online at The Woodlands Township's website.

Chairman Blair next announced that there would be no need for an Executive Session to discuss matters related to real property or personnel matters. Director Robb left the meeting at this point.

Chairman Blair next called for Administrative Reports. Nick Wolda, Vice President of Marketing & Public Relations for the Township, was

called on to present the Marketing Report. Highlights of the Marketing Report included information about the Township's website, Transition Q&A section found in The Woodlands Community Magazine, opening of Riva Row Boathouse on April 25, 2009 and the 14th Annual Public Safety Heroes Banquet on Friday, March 6, 2009. Mr. Wolda also spoke about The Woodlands Alert System. A report of The Woodlands Convention & Visitors Bureau activities included planning for Fourth of July and information about a Master Event Calendar. Next, Steve Sumner referred the Board to the Operations and Public Safety Report found in their meeting book and then gave a brief account of the number of visits made to the Township's website video feature.

The Board was then asked to consider items to be placed on the agenda for the next meeting. Director Campbell asked for a report on the Sam Shuttle activity and Director Hausman requested an update on legislative matters.

Chairman Blair next asked if there were any Board announcements.

The Chair announced that the Cynthia Woods Mitchell Pavilion will open

the first weekend in May.

As there were no further matters to come before the Board.

Chairman Blair called for a motion to adjourn. Director Hunter moved to

adjourn the meeting. The motion was seconded by Treasurer Richmond

and passed unanimously. The meeting was adjourned at 10:28 a.m.

Alex Sutton III

Secretary, Board of

(SEAL) Directors

EXHIBIT OMISSIONS*

EXHIBIT "A"

EXHIBIT "B"

EXHIBIT "C"

EXHIBIT "D"

EXHIBIT "E"

EXHIBIT "F"

EXHIBIT "G"

EXHIBIT "H"

EXHIBIT "I"

EXHIBIT "J"

EXHIBIT "K"

EXHIBIT "L"

EXHIBIT "M"

EXHIBIT "N"

EXHIBIT "O"

EXHIBIT "P"

EXHIBIT "Q"

*To view Exhibits, please contact the Records Management Officer at 281-

363-2447